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Letter dated 8 March 2005 from the Chairman of the Security Council Committee established pursuant to resolution 751 (1992) concerning Somalia addressed to the President of the Security Council

On behalf of the Security Council Committee established pursuant to resolution 751 (1992) concerning Somalia, and in accordance with paragraph 3 (e) of Security Council resolution 1558 (2004), I have the honour to transmit herewith the report of the Monitoring Group on Somalia.

In this connection, the Committee would appreciate it if the present letter, together with its enclosure, were brought to the attention of the members of the Security Council and issued as a document of the Council.

(*Signed*) Lauro L. **Baja**, Jr.
Chairman
Security Council Committee established pursuant
to resolution 751 (1992) concerning Somalia

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Enclosure

Letter dated 14 February 2005 from the members of the Monitoring Group on Somalia addressed to the Chairman of the Security Council Committee established pursuant to resolution 751 (1992)

We have the honour to transmit herewith the report of the Monitoring Group on Somalia in accordance with paragraph 3 (e) of Security Council resolution 1558 (2004).

(*Signed*) John E. **Tambi**
Coordinator
Monitoring Group on Somalia

(*Signed*) Melvin E. **Holt**, Jr.

(*Signed*) Changsheng **Li**

(*Signed*) Joel **Salek**

Report of the Monitoring Group on Somalia pursuant to Security Council resolution 1558 (2004)

Contents

		Paragraphs	Page
	Summary		4
I.	Introduction	1–7	5
	A. Mandate	1–5	5
	B. Methodology	6–7	6
II.	Overview of the arms embargo violations during the mandate period	8–18	6
	A. Arms	8–11	6
	B. Transport	12–14	7
	C. Finance	15–16	7
	D. Customs	17–18	8
III.	Analysis of the trends and patterns of arms embargo violations	19–81	8
	A. Arms flow into Somalia	19–29	8
	B. Military training camps	30–33	10
	C. Organized criminal groups	34–45	11
	D. Bakaaraha arms market	46–48	13
	E. Role of finance, transport and customs	49–81	13
IV.	Examples of arms embargo violations	82	19
V.	Coordination with neighbouring States and regional and other organizations	83–99	22
	A. Neighbouring States	83–86	22
	B. Regional and other organizations	87–99	23
VI.	Conclusions and recommendations	100–119	26
	A. Conclusions	100–105	26
	B. Recommendations	106–119	27
Annexes			
I.	Evidentiary standards and verification process		30
II.	Arms purchases and sales at the Irtogte arms market during the mandate period		31
III.	Questions submitted to the Government of Yemen		33

Summary

Pursuant to paragraph 3 of Security Council resolution 1558 (2004) of 17 August 2004 concerning Somalia, the Secretary-General re-established the Monitoring Group on Somalia composed of four experts for a period of six months.

The Monitoring Group learned that arms embargo violations had continued to occur at a brisk and alarming rate. The Monitoring Group uncovered 34 individual arms shipments or violations of the arms embargo from February 2004 to the time of writing the present report. The shipments ranged in size from an individual weapon such as a large and expensive anti-aircraft gun to ocean freight containers full of arms, ranging from explosives and ammunition to small arms, mines and anti-tank weapons.

The demand for financial sources by major parties to the conflict in Somalia to fund the arms purchases has soared, along with the arms prices. Information developed by the Monitoring Group indicates the existence of a sophisticated financial network operating inside and outside Somalia that may be directly involved in arms purchases.

Recent arms shipments have strengthened the military capacity of opposition elements inside Somalia. They are well organized and funded and have publicly expressed their intent to violently oppose the Transitional Federal Government and any international supporters that may provide military support inside Somalia.

In addition, the Bakaaraha arms market inside Somalia, particularly in Mogadishu, and the arms market in the neighbouring Gulf State continue to play central roles as sources of arms that fuel violent clashes and remain an obstacle to peace and stability in Somalia. These markets are also a main cause of the many arms-related problems in the front-line States.

With an increasing number of arms embargo violations, the trend has continued to rely less on air transport to ferry the illegal arms shipments. Instead, ocean transport of clandestine arms shipments, in conjunction with road transport, has been the predominant means by which arms are delivered to purchasers in Somalia.

The Monitoring Group has investigated arms shipments that were offloaded from container ships at a neighbouring country's seaport and transported to Somalia by a combination of road and dhows. Organized criminal groups involved in the clandestine movement of arms shipments from source to recipient have consistently circumvented customs and police authorities of various States responsible for interdicting illegal arms shipments.

As a result of the continued heavy flow of arms into Somalia, most of which has been directed to those elements opposed to the Transitional Federal Government, there is a seriously elevated level of threat of possible violence against the peaceful establishment in Somalia of the Transitional Federal Government.

In paragraph 3 (b) of its resolution 1558 (2004), the Security Council requested the Monitoring Group to continue refining and updating information on the draft list of those who continue to violate the arms embargo inside and outside Somalia, and their active supporters, for possible future measures by the Council, and to present such information to the Committee as and when the Committee deems appropriate. The Monitoring Group has, pursuant to its mandate, provided the Committee with the draft list on a confidential basis for the Committee's consideration.

I. Introduction

A. Mandate

1. In paragraph 3 of its resolution 1558 (2004) of 17 August 2004, the Security Council conferred the following mandate on the Monitoring Group on Somalia:

(a) To continue the tasks outlined in paragraph 2 (a) to (d) of resolution 1519 (2003): (i) To investigate the violations of the arms embargo covering access to Somalia by land, air and sea; (ii) to identify information and make specific recommendations in relevant areas of expertise related to violations and measures to give effect to and strengthen the implementation of the arms embargo in its various aspects; (iii) to carry out field-based investigations in Somalia, where possible, and in States neighbouring Somalia and other States, as appropriate; and (iv) to assess the progress made by the States in the region to implement fully the arms embargo, including through a review of national customs and border control regimes;

(b) To continue refining and updating information on the draft list of those who continue to violate the arms embargo inside and outside Somalia, and their active supporters, for possible future measures by the Council, and to present such information to the Committee as and when the Committee deems appropriate;

(c) To continue making recommendations based on its investigations, on the reports of the Panel of Experts (S/2003/223 and S/2003/1035) appointed pursuant to resolution 1425 (2002) and 1474 (2003), and on the first report of the Monitoring Group (S/2004/604);

(d) To work closely with the Committee on specific recommendations for additional measures to improve overall compliance with the arms embargo;

(e) To provide the Council, through the Committee, with a mid-term report and a final report covering all the tasks set out above.

2. The Monitoring Group was based in Nairobi and comprised the following experts: John E. Tambi (Sierra Leone), transport (air, land and sea) expert and coordinator; Melvin E. Holt, Jr. (United States of America), arms expert; Changsheng Li (China), customs expert; and Joel Salek (Colombia), finance expert. The Group was assisted for most of the mandate period by an arms consultant: Bruno Schiemsky (Belgium).

3. The Monitoring Group travelled in the region when it was deemed necessary, and visited areas of concern in Kenya. It also travelled to Europe and the United States of America.

4. Throughout the period of its mandate, the Monitoring Group kept the Security Council Committee established pursuant to resolution 751 (1992) apprised of its activities by submitting progress reports every two weeks through the United Nations Secretariat.

5. The Monitoring Group received much-appreciated support and assistance from the United Nations Secretariat and other United Nations agencies, in New York, Europe and the region.

B. Methodology

6. In accordance with its mandate, the Monitoring Group focused on continued violations of the arms embargo, and the refinement and development of the draft list of violators from the beginning of the period of the mandate up to the time of the writing of the present report (September 2004-February 2005). Special emphasis was placed on the initiators of the violations, and the chain of individuals, organizations and agents involved in the violations. To accomplish this, a case study model approach was developed and used for all the investigations of arms embargo violations. The model called for the collection of pertinent information leading to a plausible case of arms embargo violations, under the circumstances of the Group's investigations. The case study model essentially followed the chain of events for each violation: the buyers of weapons and ammunition and their associates, the sellers and the middlemen involved in the transactions, the shipment and the shipping companies involved, the other modes of transport used and the companies involved, and the means and methods of payment for the arms and weapons. Specific case studies were developed for each incident of violation and the respective chain of network.

7. The reports of the two Panels of Experts and the previous report of the Monitoring Group (S/2003/223, S/2003/1035 and S/2004/604, respectively) were also taken into consideration during the investigations. The evidentiary standards and verification process that were developed during the last mandate, and which were clearly outlined in the Group's previous report (S/2004/604) were also used for the investigations during the present mandate. The evidentiary standards and certification process, in addition to new verification standards, are set out in annex I to the present report.

II. Overview of the arms embargo violations during the mandate period

A. Arms

8. During the current mandate, the Monitoring Group investigated violations of the arms embargo in terms of shipments of arms into Somalia that went directly to the intended recipients and shipments of arms that went into and through the Bakaaraha arms market, especially the Irtogte market located in Mogadishu.

9. The Monitoring Group has determined that arms flows continued at an alarming rate and in large quantities during the reporting period. The Monitoring Group uncovered 34 individual arms shipments or violations of the arms embargo. The shipments ranged in size from an individual weapon, such as a large and expensive anti-aircraft gun, to ocean freight containers full of arms, ranging from explosives and ammunition to small arms, mines and anti-tank weapons. It is important to note that most of the shipments consisted of quantities of numerous types of arms versus a single weapon.

10. Many parties were engaged in the arms transactions. They included individuals from the Transitional Federal Government as well as individuals and groups from the opposition, such as traders, businessmen, warlords and fundamentalists whose vested interests would be negatively affected if the Transitional Federal Government

were to be established in Somalia. Organized networks of traders, smugglers and transnational criminal groups have been identified as facilitators and conduits for most of the arms shipments involved in the arms embargo violations. Some of the shipments originated in Europe, Asia and the Middle East. The predominant means of transport of the arms were by large, ocean-going freighters, dhows and surface vehicles through the local road networks in the neighbouring States and Somalia.

11. Information, including pictures, in the possession of the Monitoring Group clearly indicates that approximately 17 military training camps have been established by al-Ittihad. One of the al-Ittihad leaders, Sheikh Hassan Dahir Aweys, is responsible for overseeing all military training that takes place in these camps. There has been an ongoing recruitment of personnel who form the basis of the military force, and constitute the al-Ittihad's de facto army.

B. Transport

Air

12. Despite the growing number of cases of arms embargo violations, the trend of relying less on air transport to facilitate the transportation of arms in violation of the embargo seems to have continued during the current mandate period. This trend is also in line with the general decrease in air traffic over the Somali airspace during the mandate period. During the period, there were no suspected aircraft movements involving arms embargo violations in the Somali airspace or at the Somali airports.

Sea

13. Encouraged by the relative ease with which goods can be transported by sea and its cost effectiveness, sea transport has become the choice for the continued violations of the arms embargo.

Land

14. The traditional border/crossing points along the Somali borders with its western and southern neighbours constitute an important element in the arms embargo violations. In Somalia, the road transport network plays a very crucial role in transporting arms to the Bakaaraha arms market. Except in special cases, almost all arms movements within Somalia are by road. Arms and weapons are usually transported along the main road from Boosaaso in the north, through Gaalkacyo to Mogadishu. Similarly, they are also trucked via road to Kismaayo and other areas within Somalia.

C. Finance

15. There has been an increasing demand for funds during the current mandate period. However, sources required by warlords and factions to fund their operations remain basically the same: illegal charcoal exports, illegal currency printing and revenue from ports are examples of funds currently supplying some of the warlords opposing the Transitional Federal Government, particularly in the south-eastern region of the country. In addition, other sources, such as looting, school and university fees and fund-raising, are becoming more prevalent in this area.

16. The means to move funds are dynamic, constantly shifting and on occasions operating under the umbrella of legal businesses or financial networks. The networks that allow some Somali warlords to channel funds for the procurement of arms comprise businesses operating in diverse economic sectors in trade, telecommunications, air transportation and money remittance services in Somalia and abroad.

D. Customs

17. Regional and international customs organizations are paying increasingly more attention to the regional arms crisis. The United Nations and the international community would be well advised to react to the positive reception of the regional customs authorities and take practical steps towards assisting the regional law enforcement agencies in better implementing the United Nations arms embargo on Somalia.

18. In October 2004, the customs expert of the Monitoring Group addressed a meeting of regional customs intelligence/national contact persons for East and Southern African countries, drawing attention to the United Nations arms embargo. As for the joint efforts with other law enforcement officials, Interpol officers present at the meeting expressed willingness to cooperate with customs border enforcement to investigate and conduct joint operations with the aim of eliminating the cross-border arms flows.

III. Analysis of the trends and patterns of arms embargo violations

A. Arms flow into Somalia

19. Information, documents and pictures obtained by the Monitoring Group on indicate that despite the newly elected Transitional Federal Government or, perhaps, because of it, arms embargo violations continued to occur at a brisk and alarming rate during the mandate period. The Monitoring Group determined that about 67 individuals, companies and entities (the "commercial chain") were witting or unwitting parties to the arms transaction process.[1]

20. Opposition elements consisting of warlords, businessmen, fundamentalists and others are arming and training themselves in reaction to the anticipated arrival in Somalia of the newly elected Government. The opposition elements inside Somalia may be preparing for a violent engagement with the Transitional Federal Government subsequent to its arrival in Somalia in order to protect certain vested interests.

21. The main interest of the businessmen and warlords in the opposition is to protect their unregulated commercial activities in their respective spheres of control and influence that generate profits for them. These activities include: commerce in

[1] A commercial chain generally consists of buyers (recipients) and associates (individuals and organizations), sellers and middlemen, the shipment itself, transport and finally the means and methods of payment.

consumer goods that are brought into Somalia via seaports along the Somalia coast, the export of charcoal and agricultural products, revenues generated from drug trafficking and revenues generated from the collection of "taxes" and the sale of arms, especially via the Bakaaraha arms market at Irtogte in Mogadishu.

22. Fundamentalists, such as al-Ittihad, the shariah courts and al-Islah, aim at ultimate control of the people and territory of Somalia. Al-Ittihad, for example, wants to use its military power against the Transitional Federal Government to impose shariah law on Somali society. The position of al-Ittihad versus the Transitional Federal Government is one of non-negotiation. It intends to fight by using the guerrilla tactics of hit-and-run and ambush. Al-Ittihad has announced that the Transitional Federal Government is not acting according to shariah law. It also believes that the Transitional Federal Government will attempt to destroy it along with the shariah courts, and therefore it has no alternative but to fight. The shariah courts oppose the Transitional Federal Government and the new constitution, as they believe that it is being supported and manipulated by foreign countries that they consider "infidels".

23. The leadership of the shariah courts is reportedly also of the opinion that the first priority of the Transitional Federal Government would be to neutralize the courts. Therefore, they are continuing to buy weapons. Their latest shipment, on 3 January 2005, consisted of 10 PKM machine guns and a variety of ammunition and anti-tank mines, from the Bakaaraha arms market at Irtogte. They also continue to train their militia and are making a mass appeal to Somali civil society for religious-based opposition to the Transitional Federal Government. The appeal to religious-based opposition is an attempt to undercut the traditional clan-based system.

24. All opposition elements would like to pursue their respective activities freely to obtain maximum benefit without government imposed interference and regulations. Each opposition element is concerned with the impact on their respective vested interests if the Transitional Federal Government is successful in establishing itself in Somalia.

25. On the other hand, the interests and activities of the Transitional Federal Government are twofold:

(a) The purchase of arms by individuals to build a military capability against the perceived militarily hostile threat of the opposition, especially al-Ittihad and the shariah courts. The Transitional Federal Government has acknowledged that it cannot return to Somalia until it receives adequate physical "protection" inside the country;

(b) The purchase and sale of arms by individual members of the Transitional Federal Government to protect their respective interests, be they commercial, i.e., arms trade, drug trafficking, "taxes" and other revenue collections, etc., or to protect their warlord strongholds in Somalia.

26. For all sides — the Transitional Federal Government, some individual members of the Transitional Federal Government and the opposition — the purchase and acquisition of arms continue to represent the most conspicuous option for the realization of their respective self interests, be they political, religious/political or commercial or a combination of all. Thus, the perception is that the solution to their respective problems remains the gun.

27. The Monitoring Group determined that the types of arms purchased and sold included the following: AK-47 assault rifles, ammunition and magazines, PKM machine guns and ammunition, SG-43 medium machine guns, RPG-7 anti-tank weapons and ammunition, M-79 grenade launchers, Zu-23 anti-aircraft weapons and ammunition, B-10 anti-tank weapons and ammunition, ZP-39 anti-aircraft ammunition, 60 mm/82 mm/120 mm mortar shells, anti-tank mines (e.g., PMP-4), BM-21 multiple rocket launcher ammunition, anti-personnel mines, hand grenades (e.g., RG-4, POMZ-2) and TT-33 Tokarev pistols.

28. The Monitoring Group noted with special interest that the flow of arms also included large quantities of raw/high explosives, detonators and timers. Military equipment in the form of night vision devices was also part of a shipment of arms to a warlord located in Mogadishu.

29. Arms shipments during the current mandate period have primarily gone to al-Ittihad, the shariah courts and businessmen associated with either of them, including Abukar Omar Adaan and Bashir Raage. They have received a wide variety of arms, including the following: high explosives, mines, hand and rifle fired grenades, AK-47 assault rifles and ammunition, hand guns, different types of machine guns (PKMs and SG-43s), RPG-7 and B-10 anti-tank weapons and ammunition and Zu-23 anti-aircraft guns and ammunition.

B. Military training camps

30. Al-Ittihad and its allies have been receiving and stockpiling weapons and conducting military training. The Monitoring Group has obtained information and pictures of some of their training activities and weapons in storage at the facilities. Seventeen training camps have been identified and are under the overall control of the principal al-Ittihad leader, Sheikh Hassan Dahir Aweys. They have various locations throughout central and southern Somalia: two camps in Dhoobley, one in Sablaale, six in Gaalkacyo (south), five in Mogadishu and three in Raschiamboni. The operations at the camps at Raschiamboni are overseen by another key al-Ittihad leader, Hassan Turki, who coordinates military training activities with the principal leader referred to above.

31. The training camps are well organized and supported with money and military supplies. Each camp provides a special type of military training. For example, the camps in Dhoobley give basic infantry training, and at Sablaale the speciality is heavy weapons and guerrilla tactics. Recruits undergoing training in the camps wear new military-style fatigues and train with a variety of weapons, such as PKM machine guns, AK-47 assault rifles, mortars, anti-aircraft and anti-tank weapons. As the training camps are mobile, they can be moved around to avoid unwanted attention.

32. The principal leader, Sheikh Hassan Dahir Aweys, has also been one of the key recipients of the arms shipments, including high explosives, which have been identified by the Monitoring Group during the current mandate period. He has a staff of officers who run and oversee the day-to-day operations at the camps. The same officers rotate from camp to camp to avoid establishing close relationships with the recruits undergoing military training at the camps.

33. Heavy weapons are also rotated among the camps as required for training purposes. Two nationals from Afghanistan are reported to be providing various kinds of military training at different camps and, again, function under the general direction of Sheikh Hassan Dahir Aweys. It is also reported that Yemeni nationals provide instructions on the use of heavy weapons that were purchased from the arms market in Yemen. Other staff members of the same al-Ittihad leader are computer engineers located in Mogadishu, who are responsible for encrypting his communications.

C. Organized criminal groups

34. Organized networks of traders, smugglers and transnational criminal groups continue to be used by the recipients of the arms shipments to clandestinely facilitate the movements of the arms from their sources outside Somalia into and around the country.

35. Organized criminal groups in the context of the Somalia arms embargo violations have been able to circumvent the official security and regulatory systems of various national Governments, such as customs and police authorities of front-line and regional States that are designed to detect and neutralize criminal activities.

36. The organized criminal groups are also apparently able, for the most part, effectively to move around the monitoring and interdiction task forces operating in the region. They are capable of clandestinely and successfully moving arms to the intended recipients because the individuals who constitute the networks use a variety of techniques to reduce the likelihood of being discovered and stopped.

37. The organized criminal groups, of which the Monitoring Group has identified two local and two transnational criminal groups, have existing infrastructure or clandestine pathways to move the arms from source to recipient. The two transnational criminal groups are sophisticated and operate internationally. One of the groups has a network of people that operate primarily in a geographical area that includes Western Europe, the Arabian peninsula, the Gulf of Aden and the Horn of Africa. The other group has a network of people that operates in an area that includes eastern and south-eastern Asia, Southern Africa, the eastern coast of Africa and the Horn of Africa. Both groups use the commercial shipping lines of the Indian Ocean.

38. Both groups are interconnected through a common sub-set of people who are located in the south-eastern coastal area of the Horn of Africa and whose role includes coordinating the final stage of delivery of the arms to their intended recipients in Somalia. Both groups employ a wide range of techniques to successfully accomplish the delivery of the arms to Somalia despite the arms embargo.

39. These techniques include bribery of government officials, falsification of transport and identity documents, concealment of contraband arms in ships, dhows and land transport vehicles, and businesses controlled or utilized via employees by network members, protection, counterfeit currency and drug operations. The two transnational criminal groups also use the existing international maritime shipping lines and port facilities. Both groups deal in explosive-making materials, ammunition, small arms and anti-tank weapons such as the RPG.

40. The local criminal groups consist of two distinct groups of traders and smugglers. One of the groups has a network of people who operate in the geographic area that includes south-western Somalia: the Gedo region, the territory along the Somali-Ethiopian border, Kismaayo and Mogadishu. They specialize in the clandestine trade and transport of high/raw explosives (explosive-making materials, e.g., granules and C-4, as opposed to prepared munitions, such as mortar bombs, mines, and other munitions).

41. What follows is a more detailed explanation of the operations of this group: they deal in different types of landmines (TM-46 and TM-57), which are reportedly being sold on a regular basis to the group by Ethiopian military officers. In addition, the group obtains mines from areas located in the Gedo region. Mines collected in the field are typically transported by donkey carts. The mines obtained from both sources are stockpiled in at least four concrete bunkers located in the Bulahaawo area. Bulahaawo is a town in Gedo region near the Kenyan town of Mandera and near the border with Ethiopia. At 20 November 2004, there were a total of 346 mines — a combination of TM-46 and TM-57 — stored in the four bunkers.

42. The mines are stripped of their explosive contents in workshops in Bulahaawo. The trading network extracts the explosives from the mines and loads the explosives into 50 kilogram bags for sale. The processed explosives sell for a range of prices, depending on the location of the sale, up to US$ 100 per kilogram.

43. The explosives are transported by lorry by one of two land routes to Kismaayo. One route goes from Bulahaawo through Garbahaarrey, Baardheere, Bu'aale, Jilib and Jamaame to Kismaayo. The second route goes from Bulahaawo through Luuq, Diinsoor, Saakow, Bu'aale, Jilib and Jamaame to Kismaayo. In Kismaayo the explosives are sold to the network's largest purchaser, a key al-Ittihad leader in charge of al-Ittihad's stronghold in Raschiamboni. He then transports the explosives, typically by boat, to the Mogadishu area, to the same al-Ittihad leader who is in charge of the military training camps.

44. The network trades, on an ongoing basis, in the explosives openly by falsely professing in public that the explosives are used exclusively for blasting rocks and quarries to obtain building materials.

45. The other local criminal group has a network of people who operate primarily in a geographic area that includes the southern part of the Arabian peninsula, the Gulf of Aden, Somalia ("Puntland" — the seaport of Bossaaso — and the Bakaaraha arms market in Mogadishu). The group deals chiefly in ammunition, small arms and heavy weapons (anti-aircraft and anti-tank weapons). They are transported by dhow and byroad. The group's activities in terms of smuggling and operations are historically well established. They have been supplying the Bakaaraha arms market at Irtogte in Mogadishu for a number of years during the arms embargo.[2]

[2] Some aspects of the operations of the Bakaaraha arms market were covered in the previous report of the Monitoring Group (S/2004/604).

D. Bakaaraha arms market

46. The Bakaaraha arms market at Irtogte plays a central role in the arms transactions that were uncovered by the Monitoring Group during the current mandate (see also S/2004/604, para. 43). Arms deliveries to Irtogte are increasing and prices for arms have risen sharply owing to high demand. Of the 34 arms shipments identified by the Monitoring Group, 21 transactions were conducted through the Bakaaraha arms market, which reaffirms the central role it plays in the arms trade and in arms embargo violations in Somalia.

47. Arms transactions occurred at the Irtogte market with both sides during the current reporting period. To some of the members of the Transitional Federal Government, the arms transaction was purely for personal financial gain, since they have had regular and historical commercial ties with the arms market.

48. A number of individuals used the medium of the Bakaaraha arms market either to sell or to buy arms that were brought into Somalia in violation of the arms embargo. Selected details of arms transactions investigated by the Monitoring Group that were completed through the Irtogte arms market, with particular attention being paid to the recipient end of the commercial chain of this group's operations during this mandate period, are reflected in annex II to the present report.

E. Role of finance, transport and customs

1. Finance

Illegal charcoal exports and port revenues in Kismaayo

49. Revenues obtained from the illegal charcoal exports and port revenues in Kismaayo are considerable. It is reported that a group that is opposed to the Transitional Federal Government and in control of some of the forest in the Juba Valley region in Somalia is a key player in this business. Approximately, 10,000 metric tons of charcoal are being exported from Somalia every month. Large quantities of land, forest and farms are being cut and turned into charcoal. For example, during October 2004, 13,133 metric tons of charcoal were reportedly exported from Kismaayo to businesses in the United Arab Emirates and Saudi Arabia. Conservative estimates indicate that the average price per ton is $240. Revenues generated out of this single operation were as much as $3,151,920.

50. Profits for this operation were not used for the benefit of ordinary Somalis living in the area. Rather, they were used to mobilize militias and to purchase arms. The illegal exploitation of Somali forests has had a tremendous negative environmental impact. Forests and bushes give essential protection to the soil, providing shelter from wind, rain and sun. The indiscriminate use of pesticides also contaminates water resources, directly affecting human communities and livestock. During the past decade, the country's limited forests have decreased at an alarming rate. Much of this is due to the deforestation of the country's remaining woodland as a consequence of the clear cuttings caused by the illegal charcoal trade bonanza.

51. The Juba Valley Alliance currently controls the Kismaayo seaport and derives revenue of approximately $500,000 per month from the port operations. Of that

amount, $112,000 derives from import "taxes", $308,000 from export "taxes" and $57,000 from berth "taxes".

Increased illegal printing of Somali shillings

52. Counterfeit Somali shillings are being printed in Mogadishu and, allegedly, in Nairobi. The printing process has moved away from the Asian countries to these cities. In early October 2004, during and immediately after the election of the Transitional Federal Government, the exchange rate of the illegal currency appreciated from 25,000 to 18,000 shillings to the United States dollar. In some regions of the country, such as "Puntland", the exchange rate topped 13,000 shillings to the United States dollar.

53. Exchange rate fluctuations are due in part to the increasing influx of counterfeit currency, the printing of which is reported to be continuing. Individual requests vary from 50 million to 500 million shillings per day, equivalent to $2,000 to $20,000 (calculated at an exchange rate of 25,000 shillings to the United States dollar). It appears that both members of the Transitional Federal Government and the opposition are engaged in the printings. The Government is interested in having enough financial capacity before moving to Somalia, while the latter needs more funds to support its increasing military activities.

54. In Mogadishu, the printing is said to take place in the Huruwa area. In Nairobi, the printing is carried out in the Eastleigh section, although it appears that the activity does not remain fixed at the site. For example, during the second week of January 2005, a khat trader placed an order to print 500 million counterfeit shillings ($20,000). The demand was declined by the "printers" owing to the small sum of money requested and in view of the fact that the clients were asking to print the equivalent of 30,000 shillings per United States dollar, when the "printers" were offering 25,000 shillings to the United States dollar.

55. Apparently the same "printers" are reported to have in stock illegal shillings worth about $2 million. They smuggle the currency into Somalia from Kenya, wrapped in bundles and concealed in boxes, and transport it in old buses from Nairobi to Garissa and Liboi, Kenya, and then to Dhoobley in Somalia. Once in Somalia, the illegal currency is finally delivered to Kismaayo and Mogadishu.

Looting

56. Every time there is a clash among factions in Somalia, looting inevitably takes place. Although the value of the goods is not large compared with that which is accrued from well-organized illegal businesses, its impact affects the operation of hundreds of small legal businesses, families and workers. In many cases the practice has been perpetuated on behalf and in support of a well known warlord engaged in confrontations. During the lootings, almost anything of value is fair game and includes clothing, cash from foreign exchange currency businesses, drugs from pharmacies, mobile phones and powdered milk. The amounts vary from a few United States dollars to over $1,000 worth of shillings for each occasion.

57. An example can be used to illustrate the above. On 11 September 2004 four vehicles carrying about 100 militiamen allegedly loyal to the coalition headed by Sheikh Yusuf Mohamed Said Indohaade, which supports the Juba Valley Alliance, headed by Colonel Barre Hirale, rushed into Wadajir and reportedly looted eight

private homes, a medical store, the medical centre post run by Kisima and the primary school. Six days later, the same coalition plus reinforcement forces from the Lower Shabeellaha and some other militia groups met with the Juba Valley Alliance in Dhoobley, located 200 kilometres north of Kismaayo, in order to support confrontation against the militia of General Mohamed Said Hersi "Morgan". The coalition assisted the Juba Valley Alliance in defeating General Morgan's loyalists. At that time, many businesses were looted. Among the stolen goods were machines taken from a telecommunication business.

Donations, educational fees and fund-raising

58. Funds for al-Ittihad in the Lower Shabeellaha are said to be obtained, on occasions, from some charities or non-governmental organizations. At least twice a year, large amounts of money donated by organizations in the Gulf States that support charities and schools in Somalia, in particular in Mogadishu, are being diverted. Information indicates that one prominent individual in Kismaayo, apparently the treasurer of an organization in the Lower Shabeellaha, has recently received funding from donors in the Gulf States. In some cases, the diversion of funds is attributed to poor or improperly audited programmes. Transporting large amounts of money is simple, usually carried by passengers on flights to Somalia.

59. In addition to its military capability, al-Ittihad is a powerful economic force in southern Somalia. It is reported that al-Ittihad owns some schools and universities in Mogadishu and in other areas in southern Somalia. It apparently collects $300 every three months for each student. A large part of this money is donated by organizations in the Gulf States. It is estimated that about 100,000 students benefit from these donations. Therefore, the income generated by this source for al-Ittihad is considerable. Another source of income for al-Ittihad is fund-raising. For example, a fund-raising event that took place in Kismaayo during the second week of October 2004 raised about $30,000.

Financial networks

60. In addition to the arms obtained at the local markets in Somalia, a well-organized network allegedly supports trafficking operations that allow some warlords to bring arms into the country. The process can be outlined as follows. A Somali warlord places an order to "import" arms into Somalia. There is a financier, a Somali middleman, who has the support of and access to businesses strategically located in trade, telecommunications, air transportation, money transfers and businesses with branches in Somalia and foreign countries. On some occasions the middleman appears to be the chairman of several of those businesses.

61. With the order in place, the middleman requests a line of credit, which can be of up to $10 million. When the funds are approved, a letter of credit is opened in a bank. The description of commodities to be purchased in this operation may appear as food, home appliances, computer parts, car parts or telecommunications devices.

62. In Somalia the warlord will repay the middleman using the services of an alternative remittance business dealer or broker (hawaladar) who may also be part of the network or economic group. The hawaladar in Somalia receives the money in hard currency, mostly United States dollars, and makes the relevant transfer to the corresponding foreign hawaladar office. Then the middleman withdraws the money

from the hawala branch and deposits it in the bank where the letter of credit was originally opened.

63. In order to reduce any suspicion that may arise concerning the operation, the middleman provides government authorities (ports, customs) and banks with copies of transportation documents (bill of lading, cargo manifest, etc.) and invoices, using the information and descriptions mentioned above, to demonstrate the legitimacy of the procedure. Arms shipments using a trans-shipment point before routing to Somalia are likely to occur. Arms traffickers take advantage of the fact that authorities are more focused on the merchandises imported to their own countries. Owing to the high volume of cargo and following the policy of expediting foreign trade, customs inspection rate for trans-shipments cargo are very low.

Transport

64. **Air**. The average number of flights per month over Somali airspace is usually about 2,500. However, during the mandate period this number dropped to 2,300. It is important to note that about 55 per cent of the traffic is overflight traffic, and 20 per cent is khat traffic. About 15 per cent is mainly passenger and cargo traffic operated by scheduled airlines with services to Somalia, mainly from the United Arab Emirates, Djibouti, Ethiopia and Kenya. The rest of the traffic falls under the designation of "humanitarian" flights under the auspices of the United Nations and non-governmental organizations.

65. The reduction in the use of air transport for arms embargo violations during the current mandate period could be attributed to several factors: the strict enforcement of the regulations concerning air transport services from neighbouring Gulf States, the limited financial resources of the warlords, the centralization of the sources of weapons and ammunition, the awareness of the Monitoring Group and its collaboration with the Civil Aviation Caretaker Authority for Somalia for flight operations into and out of Somalia, and the ease and relative cost-effectiveness of using sea transport. During the mandate period, the investigations of the Monitoring Group did not reveal any major arms shipment by air, unlike a trend that was very common during the earlier days covered by the Panel of Experts. However, this does not preclude small quantities of arms coming into Somalia via regular scheduled flights.

66. Civil aviation activities at airports within Somalia are still essentially uncontrolled, especially in the south where airport operations fall under the control of different warlords and businessmen. Even where there is some level of control by "officials" representing a region, aviation activities on the ground still do not necessarily conform to the standards set by the International Civil Aviation Organization. For example, notwithstanding the regulatory and safety oversight authority of the Civil Aviation Caretaker Authority for Somalia, the authorities at Hargeisa airport, which is the busiest airport in Somalia, unilaterally shut down the airport early in 2005 for the resealing of the runway. It is expected that the airport will be open for traffic by the end of February 2005.

67. The airport shutdown was never communicated to the Civil Aviation Caretaker Authority for Somalia, and it is obvious that the work being done does not have the proper aeronautical supervision. This is evidenced by the fact that the airport has been shut down for such a long period. Typically, runway resealing does not necessarily require an airport to be shut down. Given this situation, it is very

difficult to determine what goes on at the airports in Somalia, in particular with regard to the shipment of arms and weapons.

68. As long as an aircraft is able to avoid areas where inspections are stringent or in some way evade proper inspection, it is relatively easy and safe to bring small quantities of weapons or arms into Somalia via aircraft. This is one of the main reasons why stringent inspections of aircraft at airports of neighbouring and regional States for Somali-bound flights are necessary.

69. **Sea**. The Somali coastline is the longest in Africa and is littered with small ports and berthing places with virtually no control, and with complete disregard for international maritime regulations. This coastline is a haven for arms shipment and this is validated by several reported cases of arms embargo violations using the seaports. The Monitoring Group investigated some of these cases during the mandate period. Taking advantage of the traditional coastal trade between the waters of the western Indian Ocean, the Gulf of Aden, the Red Sea and the Persian Gulf, arms embargo violators have now combined this trade with arms shipment and, in some cases, outright arms trafficking by sea.

70. Officially, the major functioning ports in Somalia for deep-sea and major vessels are Berbera, Boosaaso and Kismaayo. The port at Mogadishu is still closed. However, recent investigations have revealed that some of the so-called smaller ports and coastal landing places are also capable of handling some deep-sea vessels. For example, the port of El Ma'an is reported to be capable of berthing about 10 ships of 20,000 tons at a time, and has a throughput capacity of about 8,000 tons per day.

71. The Somali coastline has one of the highest rates of sea piracy in the world. For example, all the 47 incidents of piracy reported for East Africa by the International Maritime Organization (IMO) from 1998 to June 2004 took place in Somali coastal waters. This number reflects only those that are officially reported. Some acts of piracy and outright banditry on the high seas along the Somalia coastline involving some foreign registered ships go unreported, especially after ransoms have been paid to Somali bandits.

72. The increased sophistication of traditional wooden dhows compounded by their lack of regulation and proper registration (at least in Somalia) has made them the mode of choice for arms embargo violators, in particular for arms originating from a neighbouring Gulf State. Most dhows used for arms shipment are motorized, equipped with the Global Positioning System and other sophisticated navigation and maritime instruments. Whereas in the past most dhows were considered large when their cargo capacity was up to 1,000 tons today most of the dhows used in arms shipments have a cargo capacity of up to 5,000 tons. Some of the larger dhows are foreign-owned and not registered in Somalia. They usually sail without a proper cargo manifest, crew list or other regulatory documents.

73. Owing to their traditional nature of coastal trade and the perception that dhows are used primarily for fishing, some of these vessels have been able to escape the monitoring of the Combined Joint Task Force — Horn of Africa stationed along the Djibouti coast. After the mandatory requirements by the International Maritime Organization (IMO) that all ports should comply with International Ship and Port Facility Security Code by the end of July 2004, the berthing of large vessels at the Somalia ports has become very challenging, expensive and risky because Somalia

has not complied with these requirements. Technically, no "legal" insurance coverage can be provided for ships calling at Somalia ports.

74. To overcome the above problems, arms embargo violators now ship arms in containers directly to a port of a neighbouring State, south-west of Somalia and, with the help of local officials, offload the containers and truck them by road into Somalia. During the mandate period, three cases of such violations were reported and investigated. Some of the shipments involved arms and ammunition coming from outside the region and the surrounding Gulf States. In addition, despite the risks, foreign registered ships continue to call at Somali ports and to be used in violation of the arms embargo. The Monitoring Group is aware of about four such cases during the reporting period. Given the improved capacity of some of the smaller ports, some foreign ships engaged in the charcoal, fruits and vegetable trade are also known to have been used for arms shipments.

75. **Land**. As discussed in section II of the present report, the road network continues to be used effectively for internal arms distribution. During the transportation of weapons and ammunition by road, the vehicles are almost always escorted by a convoy of several militias and "technicals" in pick-up trucks. Advanced notice is given to all warlords and faction leaders who control the road blocks and check-points along the route. This is all part of a protracted network of arms movement deals and it is factored into the overall transportation cost of the weapons. There have been cases where weapons have been looted, confiscated or prevented from passing through by opposing warlords because of insufficient payment in cash or in kind, or because proper arrangements were not in place before approaching the check points.

76. **Customs**. Customs and border enforcement of arms flows needs further improvement to implement effectively the United Nations arms embargo on Somalia. Although customs authorities have shown their political will to cooperate with the United Nations to improve further the arms embargo, worrisome arms flows in the region indicate that circumvention of customs supervision and control to move arms into Somalia requires the regional customs authorities to allocate more resources to deal with this serious customs offence.

77. Some of the methods used by the arms embargo violators to evade customs supervision and control include the following:

(a) Forging customs declaration forms or shipping documents are the most frequent customs offences. It is believed that a certain percentage of arms traffickers use this method to evade customs supervision. Regional customs officers claimed that this method is mostly used by smugglers to circumvent customs control;

(b) Although declarations made by freighters, consignees or shipping agents to customs might be legal, firearms or other contrabands may be concealed in a legal consignment, using different methods to cheat customs;

(c) Using unofficial places to cross border areas is another major way to evade customs inspection and other border enforcement. In the Kenya/Somalia border area, the lack of border enforcement makes illegal arms trafficking a serious problem for both the Government and civilians;

(d) As a normal practice, transit goods are rarely physically inspected by customs officers. Customs officers may conduct a physical inspection only when

they have received information or have sufficient reason to suspect that a certain shipment may be involved in illegal transit.

78. It is clear that information and intelligence are important as customs authorities rely on them to conduct physical inspections of transit shipments. Statistics show that arms seized by customs officials in the East African countries are low when compared with figures for other areas. This can be explained by the fact that arms seizures at border areas are normally joint efforts between customs enforcement and other law enforcement agencies, such as police authorities. The police authorities are sometimes the major sources of the arms seizures statistics.

79. In paragraph 3 (d) of its resolution 1558 (2004), the Security Council mandated the Monitoring Group "to work closely with the Committee on specific recommendations for additional measures to improve overall compliance with the arms embargo". Compared with its previous mandate, the Monitoring Group has focused on the regional measures and actions that can improve the embargo rapidly and effectively. Regional customs enforcement should initially focus on sharing intelligence based on the analysis of the information collected and on operations to prevent illegal arms trafficking.

80. For example, the regional customs network in the East African countries that have been cooperating and consulting with the Monitoring Group, began taking special measures regarding regional operation on the illegal cross-border arms flows early in 2005.

81. Regarding the unique role of customs in border enforcement, it is important to encourage the regional customs authorities to improve their capability in identifying illegal cross-border movements of arms and ammunition. The functions of the World Customs Organization (WCO) and regional customs cooperation in East African countries should be evaluated as equally important.

IV. Examples of arms embargo violations

82. The examples of the arms embargo violations presented below are based on case studies developed by the Monitoring Group. Typically, a case study entails the details related to a specific shipment of arms. A case study illustrates and explains as far as reasonably possible all reliable and credible information (including any documents, computer files, photographs, eyewitness details, etc.,) related to the shipment, as well as the chain of events and people associated with the shipment.

Case study No. 1

Lower Shabeellaha, Somalia

Violations: A prominent Somali businessman-warlord-Governor, Sheikh Yusuf Mohamed Said Indohaade, purchased and received a variety of arms, as detailed below.

Dates: 30 September 2004, on or about 7 or 9 October 2004, 17 November 2004, 23 November 2004, 2 December 2004 and 2 January 2005.

Summary: This individual obtained arms from the Bakaaraha arms market at Irtogte, Mogadishu, as well as from other sources. To date, the Monitoring Group is aware of five arms purchases from Irtogte, and an additional purchase made directly from a neighbouring Gulf State.

Irtogte Purchases

30 September 2004: small arms, mainly ammunition, from the Bakaaraha arms market; ammunition primarily for the Zu-23 anti-aircraft gun, the tarantesete anti-tank, single shot, tubed weapon mounted on a vehicle, the waaqle anti-tank weapon, but smaller than the foregoing, the B-10 and the RPG-7 rocket launcher;

On or about 7 or 9 October 2004: a variety of ammunition;

2 December 2004: 40 AK 47 assault rifles and a variety of ammunition;

2 January 2005: 1 Zu-23 gun and 30 AK-47 assault rifles and a variety of ammunition.

Purchases from Irtogte are arranged for and on behalf of the above-mentioned individual by his two personal representatives who operate primarily from the arms market. It is their job to know what arms are available in terms of type, quantity and prices. They are also in continuous contact with the individual, who instructs them on the details of his arms needs.

Direct Purchase from the arms market of a Neighbouring Gulf State

On 17 November 2004, a single ship with a foreign registration arrived from a neighbouring Gulf State at the port of Marka in southern Mogadishu carrying a shipment of arms. The arms consisted of PKM machine guns, RPG-7 rocket launchers, hand grenades, anti-tank mines, different types of ammunition and TNT (explosives). The shipment of arms was shared between the above-named individual and two other men, Sheikh Hassan Dahir Aweys and General Mohamed Nur Galal. All three are associated with al Ittihad. The shipment was organized by a commercial front company.

When the ship arrived at the port of Marka, it was flying a Somali flag. When it returned to the waters of the same neighbouring Gulf State, it changed its flag to avoid possible problems with customs and police authorities of that State.

Source of funds for the arms purchases

Arms purchases are financed through funds that the above-mentioned individual collects from a variety of sources in the area under his control/administration, including "taxes" and revenues from traders, businessmen, the Marka and Baraawe seaports, airports, road checkpoints, farms (agricultural products), ocean fishery, drug farm operations and non-governmental organizations. From these revenues, he makes monthly payments to the militia, his inner circle (close advisers and associates), and the elders of the clan and makes arms purchases. After making the foregoing payments, the remainder, which is equivalent to approximately $50,000, reverts to his personal use.

Case study No. 2

Mogadishu

Violation: A prominent businessman, Bashir Rage, based in Mogadishu, purchased and received three ocean freight containers containing explosives.

Date: On or about 27 September 2004.

Summary: The Monitoring Group has documents that indicate that the shipper of this arms shipment is located in the United Kingdom of Great Britain and Northern Ireland. The same documents also indicate that the shipment was loaded onto a container ship at Antwerp, Belgium, on 29 July 2004. The bill of lading indicated the contents to be "agricultural chemicals", which were in transit to Bukavu, South Kivu, Democratic Republic of the Congo.

On or about 17 September 2004, the container ship arrived at Mombasa, Kenya. The clandestine arms shipment was offloaded at Mombasa. On 24 September 2004, a freight forwarding and clearing business, which also acts as a front for the transnational criminal organization involved in this shipment, acted as the agent for the shipper of the containers by handling all the necessary formalities required by the customs authorities at Mombasa. Among other activities, they presented documents that accompanied the containers to the customs authorities. The customs authorities then reviewed the documents for compliance with their respective regulations and, without inspecting the contents of the containers, approved their release from the port for onward shipment to the destination indicated in the documents. However, the accompanying documents had been falsified by the shipper, another member of the transnational criminal organization, for the purpose of misleading the authorities as to the real contents of the containers.

On 27 September 2004, the arms shipment, still in the same three containers, was loaded onto three lorries in Mombasa. Arrangements for the lorries were made by members of the transnational criminal organization who were acting to facilitate the clandestine movement of

the explosives. Instead of transporting the containers to the destination indicated on the documents accompanying the shipment, they transported the containers to the north of Mombasa.

They travelled for about 45 minutes and arrived at a small coastal town where a portion of the explosives were taken from the containers and loaded into two trucks. The trucks then travelled north along the coast to Watamu, Kenya, where they arrived at a boat loading point. The explosives were loaded onto a boat. The trucks made a total of three trips between the two coastal towns until all explosives were transported from the containers.

The boat carrying the explosives transported them to Kismaayo, Somalia. From Kismaayo, the explosives were further distributed to other locations including north to Marka and south to Raschiamboni in Somalia.

Source of funds for the arms purchase

The specific source of funds for the purchase of the arms is not known to the Monitoring Group. However, according to the information obtained by the Monitoring Group, the purchaser of the arms is an important businessman in north Mogadishu, Bashir Rage. He has significant control over commercial activities involving the seaport of El Ma'an, located along the coast north of Mogadishu.

V. Coordination with neighbouring States and regional and other organizations

A. Neighbouring States

83. During the mandate period visits of the Monitoring Group to neighbouring States were primarily dictated by the nature of the investigations. It is important to note that contacts were maintained with some of the official intergovernment focal points when it was necessary. In addition, the Monitoring Group also met officials of the central bank in the United Arab Emirates during one of the Group's visits to that country.

84. **Kenya**. The Monitoring Group met on several occasions with officials of the Government of Kenya during the mandate period, specifically, officials from the Ministry of Foreign Affairs and the National Security Office of the President. The Monitoring Group was informed that its report (S/2004/604) had been tabled for discussion during one of the meetings of the National Security Advisory Committee in November 2004. The Monitoring Group was also informed that a task force had been created specifically to address some of the findings and the issues raised in the report regarding Kenya.

85. **Yemen**. As reported in paragraph 170 of its previous report (S/2004/604), the Monitoring Group is still awaiting the responses to its list of questions submitted to the Government of Yemen during the visit of the Monitoring Group to Yemen in April 2004. On 13 December 2004, during a briefing by a representative of the Permanent Mission of Yemen to the United Nations to the members of the Security Council Committee established pursuant to resolution 751 (1992) concerning Somalia, at which the members of the Monitoring Group were also present, it was reported that Yemeni officials had intercepted two ships with weapons destined for Somalia in 2002 and 2004 respectively.

86. It is important to note that during the same presentation, the Yemeni representative informed the Committee that the responses requested by the Monitoring Group had been submitted to the office of the United Nations Development Programme in Yemen. However, the Monitoring Group has never received those responses. The Monitoring Group therefore wrote to the Government of Yemen on 13 January 2005 seeking further information regarding the above-reported interceptions. It also reminded the Government of the fact that the Monitoring Group was still awaiting a response to its questions, which the authorities had promised to submit to the Monitoring Group in May 2004. The list of questions submitted is set out in annex III to the present report.

B. Regional and other organizations

African Union

87. The African Union (AU) is committed to the implementation and enforcement of the arms embargo on Somalia, and the Monitoring Group continues to work directly with AU in this regard. Two members of the Monitoring Group and the arms consultant attended the AU planning seminar on stabilization in Somalia during the transition, held at Addis Ababa on 4 and 5 November 2004. The seminar drew participants from the Commission of AU, the Intergovernmental Authority on Development (IGAD), the League of Arab States, the Transitional Federal Government, the European Union and the United Nations.

88. At the seminar, the Monitoring Group played an active role in the discussions and was a member of one of the panels of discussions. The Monitoring Group drew the participants' attention to the existence of the arms embargo on Somalia, and the need for the Transitional Federal Government or any organization (including AU) or State who would like to assist the Transitional Federal Government with military or military-related items, to approach the Security Council to request temporary exemptions or dispensation from the Somalia arms embargo as per paragraph 3 of resolution 1356 (2001).

89. The Monitoring Group participated in the drafting of paragraph 4 (ix) of the official statement of the planning seminar, which was distributed at the conclusion of the seminar. In addition, during the seminar, the Monitoring Group held meetings with representatives of the AU Peace and Security Council. Among the items discussed were the coordination of future reconnaissance missions to Somalia, the future role of the Monitoring Group in the light of the new political developments in Somalia, and the sharing of information.

Intergovernmental Authority on Development

90. Throughout the duration of the Somali National Reconciliation Conference in July 2004, under the auspices of IGAD, the Monitoring Group maintained direct contact with the Chairman of the Somali Peace Process. These contacts provided valuable information to the Monitoring Group regarding the Somali political dynamics at the peace process, and the events leading to the successful completion of the process. Relevant information on the mechanisms of the Somalia Transitional Federal Parliament, as well as the members of Parliament, assisted the Monitoring Group in its investigations. The contacts with the Chairman of the Somali Peace Process also helped to reinforce the threats and possible consequences faced by potential arms embargo violators for those attending the Conference, thus acting as a potential deterrent to the overall arms embargo violations to some of the new members of Parliament.

International Maritime Organization

91. The Monitoring Group has been in direct contact with officials of IMO during the mandate period. In mid-October 2004, the Monitoring Group held meetings with International Maritime Organization officials at the International Maritime Organization headquarters in London. Specifically, the Monitoring Group made a presentation elaborating on and addressing the major issues regarding some of the recommendations made in its previous report (S/2004/604) regarding IMO. Emphasis was placed on paragraphs 109 and 195 of the report calling for the urgent need to ensure safety and security along the Somali coastline and to prevent or minimize its use as a route for arms trafficking.

92. It is reassuring to note that in October 2004 the Secretary-General of IMO brought to the attention of the IMO Council at its ninety-third session, under agenda item 17 (a), paragraphs 5 and 6, the recommendations contained in the report of the Monitoring Group (S/2004/604). Members of the Council were invited to take note of the information, as appropriate. Consequently, during the seventy-ninth session of the IMO Maritime Safety Committee it was indicated in paragraph 18 of document MSC 79/2/1/Add.1 that the Council had noted paragraph 109 of the Monitoring Group report, and supported the Group's recommendation in paragraph 195 of its report (S/2004/604).

93. In addition, the Council also endorsed the initiative of the Secretary-General of IMO to bring the Monitoring Group's recommendation in paragraph 195 to the attention of the various IMO committees for consideration and action, as appropriate. They are currently reviewing this recommendation with a view to the development of potential projects for Somalia. Given the current political situation, the timing may be right for such projects. The Monitoring Group will continue to work with IMO to bring some of these projects to fruition, with a view to ensuring safety for the Somali coastline and to improving in particular the enforcement of the arms embargo violations along the coastline.

94. The Monitoring Group has been invited to give a presentation at a forthcoming IMO subregional seminar on piracy and armed robbery against ships and maritime security. This seminar is to be held at Sana'a from 9 to 13 April 2005. Unfortunately, the period of the current mandate of the Monitoring Group will have expired by then. However, it is important that at least one member of the Security Council Committee attend this seminar, because it would provide a valuable

opportunity for the Committee to underscore and to make the case to the regional and neighbouring States for the need for the effective enforcement of the arms embargo on Somalia.

World Customs Oganization

95. In continuation of previous efforts, the customs expert of the Monitoring Group paid a two-day visit to WCO in Brussels on 2 and 3 December 2004.

96. **Customs seizures of firearms**. Based on the statistics and analysis made by WCO compliance officials, 863 seizures of firearms have been officially reported in the WCO Customs Enforcement Network system. However, only one seizure was reported for the East and Southern African region. The regional customs authorities are aware of this situation and have pointed out that the seizures of arms were reported and compiled by other law enforcement bodies if a joint effort between customs and other law enforcement bodies resulted in that arms seizure. WCO has called upon its member administrations, especially those in East and Southern Africa, to actively report seized firearms.

97. **Special operation**. The customs expert of the Monitoring Group met with the head of the WCO Regional Intelligence Liaison Office in Nairobi, who said that a special customs operation could be conducted in the regional customs territory with the aim of further enhancing the United Nations arms embargo on Somalia. In letters addressed to the directors general of the regional customs administrations, the WCO enforcement directorate drew attention to the illicit firearms trade in the region and called upon member administrations to cooperate with the Monitoring Group on Somalia.

98. **Memorandum of understanding**. With the aim of further enhancing cooperation between the United Nations and WCO, the signing of a memorandum of understanding was suggested in the previous report of the Monitoring Group. However, given the time involved in developing a memorandum of understanding, and the fact that the arms embargo continues to be violated, it is necessary to find alternative options in the meantime. WCO has suggested a more flexible and practical approach to cooperation as a better alternative. It considers approaches to the regional customs intelligence network as an effective way to improve the customs enforcement on the cross-border illicit arms trade in the region.

99. **Capacity-building**. WCO suggested that capacity-building was very important in order to enhance the arms embargo, as customs officers had limited knowledge in identifying cross-border firearms. WCO expressed its readiness to upgrade its global e-learning system to include firearms courses in the system to train customs officers and incorporate the firearms contents into the regional train the trainer programme. Moreover, the mechanism of the seaports project in East and Southern Africa sponsored by the United Nations Office on Drugs and Crime has been evaluated as a successful model for the improvement of customs control over illicit arms cross-border movements.

VI. Conclusions and recommendations

A. Conclusions

100. The conclusions presented here are based on the areas of expertise within the Monitoring Group and the investigations conducted.

101. Owing to the continued heavy flow of arms into Somalia, much of which has been directed to those elements opposed to the Transitional Federal Government, particularly al-Ittihad and its allies, and the military training being conducted by the same elements, there is a seriously elevated level of threat of violence against the peaceful establishment in Somalia of the Transitional Federal Government. These opposition elements have a considerably enhanced military capability, are well organized and funded and have publicly expressed their intent violently to oppose the Transitional Federal Government and its supporters, e.g., foreign troops, if they enter Somalia.

102. The information contained in the previous report of the Monitoring Group (S/2004/604) concerning the Bakaarah arms market, and based on the continuing work of the Monitoring Group in connection with the same arms market, it is very clear that arms shipments moving into and through the market are a fundamental source of arms that helps perpetuate and provide fuel for violent clashes and instability in Somalia. Additionally, the Monitoring Group is convinced that another arms market, located in Yemen, operates in conjunction with the Bakaarah arms market by functioning as a continuing source for the arms routinely received by the Bakaarah arms market. The impact of the existence of these two arms markets on the instability of Somalia, in particular, and the many arms-related problems to the front-line States, in general, should not be underestimated.

103. Given the reduced role of aviation in the shipment of arms to Somalia and the emergence of the sea and road as the preferred modes of transport, the Somali coastline and its borders with its neighbours have become linchpins of the entire arms embargo violations. However, this is not to say that the role of air transport should be ignored. To enforce the arms embargo effectively, it is critical that both the border crossings and the Somali coastline be monitored effectively. In this regard, it is necessary fully to engage the neighbouring and regional States, as well as the Transitional Federal Government and IMO. The need for any future monitoring group to work closely and effectively with these States and the Transitional Federal Government cannot be overemphasized.

104. Although the customs border enforcement in the region has improved since the beginning of the Monitoring Group's mandate, it is advisable that all customs authorities in the region adopt the technique of customs risk assessment in dealing with the illicit arms trafficking. The customs authorities may also consider establishing a mechanism to share information and best practices in the implementation of the United Nations arms embargo.

105. An increasing demand for funds has been noticed during the mandate period, although financial sources required by warlords to fund their operations remain basically the same. However, methods of moving funds are dynamic and on some occasions these illegal funds are being operated under the umbrella of legal businesses or financial networks.

B. Recommendations

Continued monitoring

106. Based on the above, continued monitoring of the arms embargo is necessary to ensure its effectiveness, for the following reasons: (a) analysis of trends and patterns provides the Security Council with a perspective and a meaningful understanding of ongoing arms embargo violations and accompanying activities; and (b) continued investigations of specific arms embargo violations and those parties involved expose individual violators to possible sanctions. Both of the foregoing provide the best possible information to the Security Council to assist it in its decision-making regarding this very important issue.

107. The Monitoring Group should continue to develop the draft list of violators, including the compilation of dossiers of relevant and evidentiary materials, for eventual submission to the Security Council Committee for future punitive actions. It may also be necessary or appropriate to submit the draft list to the neighbouring and regional States for actions against the violators.

108. The Monitoring Group should establish a more formal and structured relationship with AU, IGAD and possibly the front-line and neighbouring States, to facilitate cooperation and exchange of information as appropriate.

Arms

109. The negative impact of the arms markets in Somalia and the front-line States should be neutralized or significantly diminished by:

(a) Recalling the arms recommendation of the Monitoring Group in its previous report (S/2004/604) and elevating awareness at the international, regional and State levels of the dangerous contributions made by the Bakaara h arms market, including the arms market of the neighbouring Gulf State, to the continued destabilization of Somalia and the borders and arms-related internal problems in front-line States;

(b) Encouraging the Transitional Federal Government to take decisive and rapid steps to regulate strictly or stop the sale of arms via the Bakaarah arms market, and by providing international and regional support to the Transitional Federal Government to carry out the above activities;

(c) Encouraging regional and other States to exercise diplomatic pressure on the neighbouring Gulf State to take strong restrictive measures to control the sale and clandestine movement of arms out of that country to Somalia and other States;

(d) Promoting increased arms enforcement and interdiction activities by the customs, police and security organs of regional and front-line States.

Transport

110. In paragraph 198 of its previous report (S/2004/604), the Monitoring Group recommended that the transitional Government that would emerge from the peace process should consider delegating its aeronautical responsibilities. However, it is now recommended that the Transitional Federal Government should work closely with the International Civil Aviation Organization, through the Civil Aviation Caretaker Authority for Somalia, to enable the Transitional Federal Government to

undertake its aeronautical responsibilities. Similarly, in this regard, the safety oversight responsibility for the Somali airspace should rest with the Civil Aviation Caretaker Authority for Somalia, until the political issues surrounding the entire Somali airspace are resolved.

111. The Security Council Committee, through the Monitoring Group, should work closely with IMO and neighbouring States to develop, on the basis of paragraph 195 of the previous report of the Monitoring Group (S/2004/604), potential projects for Somalia that could ensure safety and proper regulation along the Somali coastline, thus ensuring that maritime activities along the coastline are controlled effectively.

112. Regional and front-line States should continue to monitor aggressively the movements of aircraft to and from Somalia and closely coordinate with the Civil Aviation Caretaker Authority for Somalia regarding the nature and type of operations involved. In addition, neighbouring States should continue to monitor closely their common borders and to regulate the flow of vehicular traffic with a view to enforcing effectively the arms embargo.

Customs

113. The Somali Transitional Federal Government should be encouraged to establish its own customs border enforcement as soon as it moves back to Somalia. Countries neighbouring Somalia have expressed their willingness to assist and provide the necessary training programme.

114. The Monitoring Group should continue to consult with WCO in order to establish a cooperation mechanism to guarantee the effectiveness of United Nations sanctions, in addition to sharing and exchanging information and intelligence on the arms embargo and providing the necessary support for special programmes aimed at enhancing the arms embargo.

115. The efforts of conducting special operation on illicit arms cross-border movement made by the regional customs authorities should be encouraged. In this connection, continuity of cooperation with regional customs organizations is necessary.

Finance

116. The Transitional Federal Government or the relevant authority should regulate the production of charcoal and provide guarantees for sustainable reforestation programmes, adequate and legal financial channels for the reimbursement of the exportation of charcoal. Until that is in place, businesses importing charcoal from Somalia should refrain from or reduce their engagement in this activity. Unless the relevant authority regulates the production of charcoal guaranteeing sustainable wood reforestation programmes and adequate and legal financial channels for reimbursement of exports, among other major economic reforms, businesses importing charcoal from Somalia should refrain from or reduce their engagement in this commercial activity. Otherwise large sums of money proceeding from this illegal trade will continue to be used indiscriminately by the warlords in strengthening their position in the conflict.

117. Financial and other law enforcement authorities in the countries where the Somali Shilling is being printed illegally should share information, undertaking joint

operations effectively to address this practice, especially at the borders where the currency is being smuggled.

118. Organizations giving donations to Somali charities or non-governmental organizations should reinforce their post-donation auditing measures in order to avoid diversion of funds to warlords or extremist groups engaged in confrontations.

119. It is advisable for international and regional financial organizations to enhance their support for financial local authorities of the front-line States and States neighbouring Somalia, in terms of promoting cooperation, training, workshops, information-sharing and financial networking. Efforts should be made in focusing on topics related to criminalizing financial illegal activities, money-laundering and freezing and confiscating assets, and to the regulation and control of alternative remittance systems (hawalas).

Annex I

Evidentiary standards and verification process

1. In paragraph 36 of its previous report (S/2004/604), the Monitoring Group stated:

> "Against the backdrop of the challenges and difficulties in obtaining information in the field, the Monitoring Group adapted its standards of evidence to suit the Somali context. The Monitoring Group presented its standards to the Security Council Committee on 19 May 2004 during the mid-term briefing:
>
> "(a) Collection of information on events and topics from multiple sources where possible;
>
> "(b) Collection of information from sources with first-hand or quasi-first-hand knowledge of events;
>
> "(c) Looking for the consistency of the patterns of information and comparing them with new information;
>
> "(d) Looking at the totality of the information obtained on issues, topics and events and developing a mosaic of the information. Determining how the new information compares with the substance, tone and feel of the information already collected;
>
> "(e) Continuously factoring in the expertise and judgement of the relevant expert of the Group and the collective assessment of the Group;
>
> "(f) Continuously seeking out documentary support of the information collected."

2. In proceeding with developing information for its case studies, the Monitoring Group was ever mindful of the quality and accuracy of the information gathered and, as such, relied on the standards of verification (standards of evidence) above and the concept of source circles and the case study model.

3. The result was a constant and practical interaction between and among the three elements and resulted in the most accurate information possible in the light of the Somalia operating context:

(a) **Source circles**. Deliberate and systematic effort to gain access to those involved in arms embargo violations by way of individuals who have direct knowledge or know people who have direct knowledge of details of violations;

(b) **Case study model**. The case study model is specific arms shipment/transaction based. It is a tool that helped the Monitoring Group to systemize and standardize its investigative work and includes optimum questions that attempt to answer essential elements of information for all shipments investigated by the Monitoring Group.

Annex II

Arms purchases and sales at the Irtogte arms market during the mandate period

Individuals conducting transactions at the Irtogte market	*Type and quantity of arms and date of transaction*	*Role (supplier/purchaser/seller)*
Businessman and minister in the Transitional Federal Government	300 AK-47 assault rifles November 2004 (bought)	Purchased and sold arms
	A variety of ammunition such as mortar shells 25 November 2004 (bought)	
	100 rounds of ammunition for B-10 anti-tank weapons (bought)	
	1 DShK anti-aircraft machine gun 1 or 2 January 2005 (sold)	
	1 Zu-23 anti-aircraft weapon 4 January 2005 (sold)	
Warlord and minister in the Transitional Federal Government	AK-47 assault rifles, PKM machine guns, RPG-7 rocket launchers and ammunition November 2004	Purchased arms
	RPG-7 rocket launchers anti-tank ammunition, 100 rounds 120 mm mortar shells 25 November 2004	
	1 Zu-23-4 anti-aircraft weapons and a variety of ammunition, including mortar shells 12 January 2005	
Principal arms trader at the Irtogte market and vice-minister in the Transitional Federal Government	AK-47 assault rifles, PKM machine guns, RPG-7 rocket launchers and ammunition 1-3 November 2004	Purchased arms from a neighboring Gulf State and supplied to the Irtogte for the purpose of selling (profit)
Minister in the Transitional Federal Government	2 Zu-23-4 and 1 Zu-23-2 anti-aircraft weapons and ammunition 9 January 2005	Purchased arms
Principal al-Ittihad leader in overall charge of training camps	AK-47 assault rifles, PKM machine guns, RPG-7 rocket launchers, F1 hand grenades, rifle-fired grenades, 60 mm-82 mm mortar shells 7-21 November 2004	Purchased arms
	2 PKM machine guns, 10 SG-43 medium machine guns, 120 TT-33 Tokarev pistols, 60 magazines for AK-47 assault rifles 27 November 2004	

Individuals conducting transactions at the Irtogte market	*Type and quantity of arms and date of transaction*	*Role (supplier/purchaser/seller)*
	16 PKM machine guns, ammunition (more then 100 rounds) for RPG-7 rocket launchers 15 January 2005	
Businessman	1 Zu-23 anti-aircraft weapon On or about 18 November 2004	Purchased arms
Warlord/businessman and governor in southern Somalia and associated with al-Ittihad	1 Zu-23 anti-aircraft weapon, 4 PKM machine guns, 40 AK-47 assault rifles 23 November 2004	Purchased arms
	40 AK-47 assault rifles and a variety of ammunition 2 December 2004	
	1 Zu-23 anti-aircraft weapon, 30 AK-47 assault rifles and a variety of ammunition 2 January 2005	
Businesswoman/warlord	40 AK-47 assault rifles, 14 PKM machine guns, 6 RPG-7 rocket launchers, 2 DShK anti-aircraft machine guns and a variety of ammunition 29 November 2004	Purchased arms
	2 B-10 anti-tank weapons, 2 DShK anti-aircraft machine guns, 1 Zu-23 anti-aircraft weapon and 16 pieces of night vision equipment 30 November and 1 December 2004	
Businessman	4 Zu-23 anti-aircraft weapon, 10 DShK anti-aircraft machine guns and a variety of ammunition 19 January 2005	Seller of arms
Sharia courts, Mogadishu	10 PKM machine guns, a variety of ammunition and anti-tank mines 3 January 2005	Purchased arms

Annex III

Questions submitted to the Government of Yemen

As a follow-up to the meeting on 4 April 2004 between officials of the United Nations, the Monitoring Group, the Ministry of Defence and Ministry of the Interior and for the purpose of gaining a better understanding of arms control and arms market operating in Yemen, the Monitoring Group asks the following questions:

Arms market

1. What are the roles and responsibilities (formal and informal) of the Ministries of Defence and the Interior in connection with the arms market in Yemen?

Depending on the answer given to the foregoing, please refer to the following relevant questions:

2. Under what authority does the arms market operate? What is its proper name? What are the official requirements for operations?

3. Describe the arms market in detail (for example: What is it? How does it operate? How is it organized? Where is it located?).

4. Identify the key individuals and/or business entities associated with the commercial activities of the arms market. Does the Government of Yemen buy arms from or sell arms to the arms market?

5. Describe the types of weapons and ammunition available through the arms market and the cost of each.

6. Describe the availability and quantity of weapons and ammunition referred to in question 5. (The weapons/ammunition stockpiled and available immediately or available through order).

7. Identify in detail the primary sources (inside and outside Yemen) of the types of weapons and ammunition identified in question 5. How is the arms market re-supplied?

8. Identify in detail the arms brokers who transact business with and/or on behalf of the arms market.

9. Identify in detail the principal buyers of weapons and ammunition from the arms market. Specify their purchases and provide invoices and other documentation if available.

10. Provide details of any information in your ministry's possession related to the movements of weapons and ammunition to Somalia (confirmed or suspected, direct or indirect) since 2002. Provide any information concerning the provision of military training or other military equipment to Somalia since 2002.

11. Provide details of any weapons shipments interdicted, seized and/or investigated since the year 2002.

12. Provide any information concerning attempts by Somali factions to purchase weapons from the arms market, either directly or via a broker or third party, since 2002.

13. Describe the type of transaction records that are typically created for importation, exportation, purchase or sale of armaments associated with the arms markets.

14. What are the forms of payment for transactions involving purchases and sales associated with the arms market?

Arms control

15. What measures or programmes are in place to prevent the diversion of armaments for illegal purposes, including smuggling?

16. Does Yemen have an arms licensing programme? How is it enforced?

17. What is the armaments procurement process for the Government and private brokers?

18. List the names and contact details for licensed private arms brokers in Yemen.

19. Explain the legal process for the importation and exportation of armaments.